

August 19, 2003

**MONTANA DEPARTMENT OF COMMERCE
WORKFORCE TRAINING GRANT POLICIES**

The Governor has decided to use the discretionary component of the federal Workforce Investment Act funds to continue a program that provides grants to Montana businesses in order to provide incumbent worker job training to existing and new employees. The Montana Department of Labor has provided federal grant funds to the Department of Commerce of which \$540,000 will be available for business applications. Montana businesses may apply directly to the Montana Department of Commerce to request Workforce Training Grant funds.

The Department is targeting the Workforce Training Grants to projects that can demonstrate tangible, measurable results involving incumbent workers working in the businesses that are receiving assistance. The Department may assign a Regional Development Officer to work directly with applicants that appear to have viable, eligible project proposals meeting the intent of this program.

It is highly recommended that potential applicants contact the Department directly at (406) 841-2732 for guidance and funding availability before submitting a formal application. You may also email inquiries to gmorehouse@state.mt.us. This is especially important due to the limited funding available statewide.

Applications should be sent to:

Commerce Workforce Training Grant Program

Montana Department of Commerce

301 S. Park

P.O. Box 200505

Helena, MT 59620-2702

Eligible Applicants

Eligible business applicants should meet one or more of the following criteria:

- Be a value-adding business as defined by the Montana Board of Investments
- Have at least 50% in business revenue originate from outside Montana
- Demonstrate a significant positive economic impact to the region and State of Montana beyond the job creation involved
- Not compete locally or regionally with existing businesses that would result in a negative impact on competitors in the area

- Provide a service or function that is essential to the locality and/or the State of Montana
- Be a new business locating in Montana that meets at least one of the criteria above and that does not displace any existing workers
- For-profit and non-profit hospitals and medical centers that provide a variety of medical services for the community or region in urban and rural areas are eligible applicants.

NOTE: If a business or part of a business relocation results in any employee losing his or her jobs at the original location, WIA Funds cannot be used until the company has operated at the new location for 120 days. (20 CFR § 667.268 (a) (2)) Also, a trainee must not displace any currently employed employee (as of the date of the training). (20 CFR § 667.270)

WIA funds cannot be used for construction or purchase of facilities or buildings. (20 CFR § 667.260) Funds may not be used to directly or indirectly assist, promote or deter union organizing (20 CFR § 663.730) or sectarian activities (20 CFR § 667.266).

WIA funds cannot be used for foreign travel (20 CFR § 667.264 (b)).

Match Requirements

Applicants must provide at least one new dollar for each WIA dollar requested. The match must be from new, unexpended funds available at the time of application. Matching funds can include new loans and investments and can include expenditures for direct project related costs such as new equipment and buildings. The Department may consider recent purchases of fixed assets directly related to the proposal on a case by case basis. Generally, purchases of fixed assets directly related to the proposed training activities that have been made within 90 days of the submittal of the application may be considered eligible by the Department at its discretion.

Funding Limits

The ceiling for WIA grant funds will be limited to documented, eligible training expenses up to \$5,000 per full time equivalent position being trained that is paid at least \$13.39 per hour in salary and benefits. The minimum pay amount represents 110% of Montana's current median income level that is posted annually by the Montana Board of Investments as a threshold for their programs. Positions paying less than \$13.39 per hour in wages and benefits are ineligible unless information is provided in the application that conclusively demonstrates a lower amount is appropriate considering the local economy and local pay scale. The Department may in exceptional circumstances consider a higher grant ceiling for jobs that will pay significantly higher wages and benefits where the need for higher training costs is documented in the application. The goal is to

increase the pay levels and capabilities of Montana employees as a direct result from training through this program.

Projects preferably should involve at least 20 new and existing eligible full-time equivalent positions unless unique circumstances are documented that indicate a significant, positive, secondary impact to the local economy. Project funding ceilings will be determined by the availability of funding, cost per job, and the quality of the business proposal. Projects should be limited to no more than one year unless otherwise approved by the Department.

Financial Statements – Business Plan

All business plan information and financial exhibits will be considered confidential, for evaluation purposes only, and will not, except as required by law, be provided to any third person, firm, corporation, or public entity not directly involved in the review without the express written consent of the business.

Each applicant must submit a business plan which must contain sufficient information for the Department to obtain an adequate understanding of the business to be assisted, including the products or services offered, estimated market potential, management experience of principals, current financial position, and details of the proposed venture. The application should discuss the source, use, and terms of all funds to be included in the project.

NOTE: The Department may accept a copy of a current loan application to entities such as the Montana Board of Investments, the Rural Development Business and Industry Guarantee program, or the Small Business Administration to satisfy the conditions in this section.

The financial information submitted must demonstrate that the business to be assisted is or will be an ongoing viable company that can achieve and maintain the amount of employment projected. The Department reserves the right to request additional information or accept reasonable variations from the information requirements listed above on a case-by-case basis if necessary to make a funding decision.

Financial Statements

For an existing business, provide financial statements for the two most recent years of operation to include the following:

- o Balance Sheets
- o Profit and Loss Statements
- o Cash Flow Statements

Business start-ups and businesses operating for less than three years must provide all available financial statements.

If the last complete fiscal year of the business ended 90 days or more before the application is submitted, interim financial statements must be submitted in addition to the year-end financial statements.

There should not be gaps between the historical statements and the projected statements. The projections should use the same fiscal year periods as the historical financial statements. Applications that contain appropriate, updated, accurate financial information can be processed much more quickly than incomplete applications that require Department requests for additional information.

Projections

Please provide the following projections for two years

- Balance Sheets
- Profit and Loss Statements
- Cash Flow Statements

Hiring and Training Plan

The primary goal of this economic development activity is to increase year-round and permanent job opportunities for local residents. In the event of grant award, the applicant's commitment to the Hiring and Training Plan will be considered binding. A final hiring plan will be referenced in the grant agreement with the Department of Commerce. The assisted business must show substantial compliance with the hiring and training plan and a "good faith" effort toward the actual accomplishment of the hiring goals set out in the grant agreement before the project can be closed out.

Hiring goals should be reasonable and justified by the financial statements and projections. Claims for the number of jobs to be created or retained should be realistic and supported by the financial projections and business plan.

At a minimum the Hiring and Training Plan must include the following:

- A breakdown of jobs to be created or retained, including the number and type of jobs that are full-time, part-time, skilled, semiskilled, or unskilled positions. For applications proposing positions involving less than full-time employment, an estimate of the number of hours to be worked each week or the number of months to be worked each year for each position must be included.
- A timetable for creating the jobs and the total number of persons to be hired.
- An assurance that the business will comply with the equal opportunity and nondiscrimination laws.
- Procedures for outreach, recruitment, screening, selection, training and placement of workers, especially local area job applicants.
- A description of the training curriculum and resources.

- Written commitments from any agencies or organizations participating in the implementation of the hiring plan (e.g., Job Service, HRDC, etc.).

Training Program

Please describe the kind of training that will be provided to the employees. Training should be provided to new and existing positions identified for an upgrade in skills. (The employees being trained do not have to be on the payroll at the time of application to the Department; but must be on the payroll prior to and after training.)

Eligible training costs that may be reimbursable include the following:

1. Salaries of eligible employees during training activities;
2. Salaries of in-house trainers during training activities involving eligible employees;
3. Direct costs of training such as manuals, materials, supplies, tuition, prorated shares of consultant or training fees for related training; and
4. Domestic travel for training.

Ineligible expenses include but are not necessarily limited to the following:

1. Foreign travel;
2. Development of training curriculum and materials;
3. Equipment, buildings or other fixed assets;
4. Sectarian activities;
5. Unionization ;
6. Displacement of current employees; and
7. Relocation of any business or part of the business from another location involving loss of any employees at the original location will be considered a violation of the Contract and may, at the Department's discretion, prevent any further requests for funds.

Only employees working full time, at least 35 hours per week, and being paid at least \$13.39 in wages and benefits are eligible for the reimbursement of training costs to the employer. The following questions should be addressed:

- How many employees do you anticipate to be trained of those listed on the hiring and training plan?
- What is the method of training or how will the training be accomplished and by whom? Will the training be provided on-site by the company or a contractor, provided out-of-state, or provided by an educational institution, or a combination of methods?
- For training funded with this grant, what will be the duration of the training period? When is the training period expected to begin and end? NOTE: The

training period for which funds are used should not extend for more than **one year** per each individual.

- What does the company expect to accomplish at the end of the project?
- List the starting wage and the wage to be paid after training for each position.
- List the job benefits to be paid and explain when benefits will begin.
- List any payments to instructors and/or contractors, if any.
- List and justify travel and per diem costs, if any.
- If funds will be used for childcare or transportation costs, provide a description.
- Describe the company's contribution and commitment to the training program. For example, is the company contributing cash, or in-kind facilities or equipment? If outside funds or resources are being provided as a contribution, submit a written commitment from these sources.

Application Assurances

If approved, the contract with the company will include the following requirements:

- 1) Provision for a certification that in the event the company ceases operation within the grant contract period, which is usually 12 months, the company will reimburse the full amount of the Commerce workforce training grant;
- 2) Provision for an annual and a final closeout report to the Department of Commerce that document the higher wages paid after training during the contract period.

These project assurances must be signed by a person in the company, who is assigned the duties and responsibilities for training, and will be responsible for the overall success of the program, and by the company's chief executive.